

# The Effects of Crime in the South African Post Office: A Case of the North East Region

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**Abstract:** This paper argues that crime in the Postal Services is gradually becoming a challenge all over the world. Reliable statistics indicate that there is an increase on a yearly basis in criminal activities within postal services globally. The South African Post Office as part of a global institution, it is not immune to types of crimes associated to this industry. For the South African Post Office (SAPO) to play a leading role in reducing crime upward trajectory line, it has to seriously impose on security measures to reduce it. This paper is therefore based on the study that was conducted in the South African Post Office, North East Region. The primary objective of this study is to recommend crime prevention strategies which can assist in reducing crime and conscientising the South African Post Office employees on the effects of crime and the consequence thereof. The research method employed in the study was both qualitative and quantitative. Different textbooks, journal articles, the internet, Acts and other documents were consulted for secondary data sources. From the study, it is concluded that crime has a detrimental effect on Post Office reputation, low profit margins, reduced public confidence and reduced commitment by SAPO staff members. This paper recommends that SAPO should serious employ crime prevention strategies especially in areas where critical transactions are performed.

**Keywords:** Crime, Crime statistics, Crime prevention, Fraud

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## 1. Introduction

One of the most important issues that faces South Africa today is the proliferates of crime. It is the legal, social, and cultural factors that have influenced the Parliament to determine the statutory framework, which, by and laws govern actions that are then classified as legal or illegal. Many authors such as Burchell & Milton (1991) Stevens & Cloete (1996), and Snyman (2002) assert that there are several sources of organisational and corporate crimes that affect the good governance of an organisation. Organisations and corporates are linked to crimes, as the authors have perceived and may have impact on taxation, environmental laws, job security and anti-monopoly laws; thereby contributing to economic problem in most institutions. Several studies undertaken have identified various causal factors of crime in organisations. However, the findings from these studies do not reveal the relationships between organisational culture and the causes of the crimes by the employees of the organisation and South African Post Office in particular. These studies reveal that effective strategic prevention of organisational crime in an organisation can help in maximising profit in respect to reduction of fraud, theft, mail secretion and mail violation. Nevertheless, none of these studies has attempted to propose the implementation of crime strategies in minimising

organisational crime from postal perspective and thereby improving customer confidence. This paper will look at crime in the South African Post Office, with specific reference to the North East Region. The study undertook to research the effects of crime in the South African Post Office, with particular reference to the North East Region. Crime in selected post offices in the North East region was investigated in order to understand the severity of the problem.

## 2. Legislative and Regulatory Framework

### 2.1 The Constitution of the Republic of South Africa, 1996

The South African Constitution is the supreme law in South Africa. Section 179(2) of the Constitution states that the prosecuting authority has the power to institute criminal proceedings on behalf of the state. Any acts or omissions by people, including organizations and corporations, which are contrary to the law are punishable and this duty is executed by the courts. In view of the above, an employee of the South African Post office (SAPO) that engages in crime must be reported. The Public Finance Management Act (1 of 1999) applicable to work places in general, also serves to protect public money, particularly in the postal services.

## 2.2 The South African Postal Services Act (128 of 1998)

Chapter 8 of the Postal Services Act defines the different offences applicable to this legislation. Section 69 states "Any person who otherwise than in pursuance of his or her duty opens or tampers with or wilfully destroys, makes away with or secretes any mail or postal article or allows any mail or postal article to be opened or tampered with, destroyed, made away with or secreted is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding seven years or both a fine and such imprisonment". Statistics by SAPO RUBI (2012a) indicates that out of 70 cases of mail crime lodged with SAPO Security and Investigation division; only 16 of those cases were reported to the SAPS.

## 2.3 Prevention and Combating of Corrupt Activities Act (12 of 2004)

Section 3 of the Prevention and Combating of Corrupt Activities Act states that any person who gives or accepts or agrees or offers to accept/receive any gratification from another person in order to influence such other person in a manner that amounts to:

- The illegal or unauthorized performance of such other person's powers or functions;
- An abuse of authority, a breach of trust, or the violation of a legal duty or a set of rules;
- Any other unauthorised or improper inducement to do or not to do anything is guilty of an offence.

Section 4 of the Act further stipulates that any public officer who directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person in order to act, personally or by influencing another person so to act in a manner that amounts to abuse of authority, breach of trust is guilty of corruption. This Act was designed to curb or prevent corrupt activities in the public sector. To this end, it criminalises corrupt conduct. Companies should implement a comprehensive system of controls to ensure that such risks are mitigated and the companies' objectives are attained.

## 3. Theoretical Framework

This paper is premised on two theoretical areas: Differential Association Theory and Routine Activities Theory. The Differential Association Theory postulated by Sutherland and Cressey in Williams and McShane (1999:76) maintains that behaviour is learnt. Schuessler in Williams and McShane (1999:81) supports Sutherland and emphasises that individuals will learn towards or away from crime according to the cultural standards of their associates, especially those with whom they spend frequent and long periods. In addition, Bandura (1977:22) states that behaviour is learnt from the environment through the process of observational learning. Models (individuals) copy and imitate the behaviour they have observed. If the consequence of the behaviour is rewarding, the individual is likely to continue performing the behaviour. This theory closely matches the assertion that most of the criminal activities are as a result of the socialisation patterns of employees. This Differential Association Theory is relatively applicable in the South African Post Office environment where fellow employees learn from their colleagues some of the deviant behaviours associated with crime. In this respect, it has been suggested that Postal Services should come up with aggressive awareness programmes to inform the employees of the effects and consequences of crime.

The Routine Activities Theory by Cohen and Felson (1979) identifies three focus elements: a motivated offender, a suitable target and the absence of a capable guardian. The first element (Motivated offender) involves what influence an individual to commit an offence whereas the second element (suitable target) focuses on something worth stealing or taking something that has the appearance of worth. The third element (absence of a capable guardian) deals with the question of who is present to prevent the occurrence of the crime. The Routine Activity Theory states that crime occurs as a result of increased temptations and reduced controls (Helfgott, 2008:74). Williams and McShane (1999:236) maintain that if all three components are present, the probability of crime will increase but if one of the components is missing, crime is less likely to happen. If the Post office (suitable target) is left unattended at night, no security guard deployed to the target (absence of suitable guardian) burglary is most likely to occur. It is against this background that Routine activity theory and

differential association put an emphasis on crime prevention as a preventative measure which companies such as the South African Post Office should follow to curb crime.

#### **4. Crime Prevention**

Crime Prevention entails any action designed to reduce the actual level of crime and/or the perceived fear of crime (Lab: 1997:19). City of Jefferson (2009: www.jeffcitymo.org) defines crime prevention as a pattern of attitudes and behaviours directed at reducing the threat of crime and enhancing the sense of safety and security, to positively influence the quality of life in our society and to develop an environment where crime cannot flourish. The City of Jefferson outlines the advantages of preventing organisational defiance by anticipating crime and taking the necessary preventative measures. Mafunisa (2014:1235-1237) identified the following fraud prevention strategies to control and prevent crime:

- **Fraud and risk preparedness:** All role-players in the fight against fraud and corruption should be involved in drafting the fraud prevention plan.
- **Fraud prevention structures and mechanisms:** To combat fraud and corruption effectively departments must have a dedicated fraud prevention and risk management structures.
- **Fraud profile and awareness:** Integration of ethical awareness and a sense of moral responsibility into institutional culture through such internal controls as development, and the formal distribution, of service codes, ethics workshops, and dissent channels would reinforce ethics training.
- **Procedures for reporting fraud and corruption:** Departments should have procedures in place to enable employees to report fraud and corruption.
- **Success factors for fraud prevention:** Departments should be requested to identify success factors for the effectiveness of their fraud prevention plan. Communicating the plan to all employees and role-players and continuous review of the plan to align it with the departmental risk assessment results constitute success factors for other departments.

To fight crime rigorously, companies should analyse data which will inform management of the prevalence of crime in a certain crime category and management to mitigate such crimes accordingly. By implications it means that all crime incidents should be recorded and statistics be analysed to arrive at a certain conclusion with regard to crime patterns.

#### **5. Crime Statistics**

Crime statistics refer to all information and data regarding the crime phenomenon and, these are arranged and tabulated in a scientific way in order to give a clear picture of the crime problem (Stevens & Cloete, 1996:7). By implication, it means that crime statistics can help management and law enforcement agencies within the institution to focus on specific areas of crime. The South African Post Office uses Risk Universe Business Intelligence (RUBI) as a system to record crime incidents which will show where suspicious activities may be occurring and then link data to individuals, transactions or offices to reveal potential criminal patterns (Khotsa, 2014:9). Offences such as fraud, theft and mail violation are common crimes associated with the postal industry and for the purpose of this article fraud will be the focus area.

#### **6. The Juridical Elements of Fraud**

Before a specific act can be defined as crime, certain elements have to be present, namely, act, the act must be unlawful, and there must be an element of guilt, as well as a threat of punishment (Stevens & Cloete, 1996:7). Fraud is also perceived as crime and is punishable by law. The South African Post Office is a retail institution amongst the transactions performed by the South African Post Office, is receipt money and payment on cash to its customers. Associated with the nature of Post Office business, fraud becomes one of the most common offences committed by employees. From the juridical point of view, it is important to highlight elements of fraud so that management can be able to identify such elements and deal with fraud effectively. Snyman (2002:521-527) explains the elements of fraud as:

**Misrepresentation:** The very first requirement for fraud is that there must be a misrepresentation or, as it is sometimes expressed, "a perversion or distortion of the truth".

**Table 1: Post Office Crime Statistics 2011/2012 Financial Year**

Crime category	Number of incidents	Direct financial loss
Robberies	95	8,527,338
Housebreakings	152	1,292,139
Hijacking	2	-
Cash in transit	3	11,000
Postbank fraud	347	36,660,612
Financial misconduct	402	6,589,683
Postal crime	1 411	865,160
Theft	176	1,939,374
Misconduct	168	1,382,432
Other	35	3,863
<b>TOTAL</b>	<b>2,791</b>	<b>57,271,601</b>

Source: South African Post Office cost of crime (2011/2012)

**Table 2: Cost of Selected Crimes Against Business**

Type of Crime	No of Incidents	Cost	Average Per Incident
Burglary	700,239	\$1.4 billion	\$1,991
Shoplifting	785,228	\$1.6 billion	\$205
Embezzlement	15,151	\$20-90 billion	

Source: Bressler (2009:6)

**Prejudice:** The crime is committed if it brings about some form of harm to another. It should be noted that prejudice may either be actual or potential.

**Unlawfulness:** The intention to defraud entails knowledge by the perpetrator that he/she is falsifying a document.

**Intention:** One must first be aware of the fact that representation is false.

**Potential prejudice:** Potential prejudice means that the misrepresentation looked at objectively, involved some risk of prejudice, or what is likely to prejudice.

## 7. Effects of Crime

Crime has an adverse effect on the organisation, employers and employees and if crime is left unattended, the whole postal system will collapse. It is therefore the responsibility of all stakeholders within the postal industry to ensure effective crime prevention strategies to eliminate this scourge.

### 7.1 Crime and Cost

Crime and cost cannot be separated and therefore, an increase in crime will lead to an increase in cost.

Stolen properties need to be replaced and this necessitates insurance companies to increase monthly premium payment on insured goods and products covered by insurance companies. In the 2011/12 financial year, the following statistics were reported by the Post Office Security and Investigation division.

Table 1 clearly indicates that postal crime, Postbank fraud, and theft remain a concern in the Post Office. Similarly, the 2007 Report on Crime in the United States indicates that stolen office equipment alone totalled a staggering amount of \$656,982,032. Furthermore, burglaries, have on average, cost businesses \$1,989.

Tables 1 and 2 reflect fraud and embezzlement as the most prevalent crime in the retail business with fraud and other financial misconduct cases in the South African Post Office costing approximately R43, 250,295 and embezzlement in the United States costing \$20-90 billion. Hence, an effective crime prevention strategy should have to be given priority to counteract offences like fraud, theft, burglary, embezzlement, and related financial crimes.

### 7.2 Imprisonment

According to Coleman and Moynihan (1996:1060, certain offences are more likely to come to the attention

of the criminal justice system. The Department of Justice is committed to deal with offences, especially crime committed within the Post Office environment. Mooki (2012:6) reported the case of Maxam who was sentenced to an effective 23 years by the Gauteng high court for masterminding fraud and other offences totalling R2 million at South African Post Office branches around Gauteng in 2008. His co-accused Selepe was sentenced to an effective 20-year sentence. The actions of Maxam cost taxpayers millions of rands with Postbank suffering 1 942 fraudulent transactions amounting to R55 million over the past 5 years. Imprisonment exceeding 15 years is imposed only for very serious offences. Such sentences are likely to serve as a punishment and deterrent to those intent on committing Post Office crimes. With deterrence, the belief is that the imposition of punishment sends out a message that crime will be punished, and that as a result of this message, members of society will fear that if they transgress the law, they will be punished, and that this fear will result in their refraining from engaging in criminal conduct (Snyman, 2002:19). By implication it means that deterrence will have an effect on the behaviour of employees. If employees steal from the company, they will either be punished by being dismissed, imprisoned or both. Stevens and Cloete (1996:7) correctly argue that punishment can take the form of imprisonment, a fine, or both.

### **7.3 Victims**

According to Coleman and Moynihan (1996:108), victimisation surveys can be used to make inferences as to the likely class of certain type of offender from knowledge of who is at greatest risk of victimisation. There are instances when employees of a company may become victims of crime committed by their fellow employees, because they unwittingly get involved in such crimes while exercising their duties to their employers. If a teller at the Post Office receives remittance from his/her supervisor and does not verify cash but sign acknowledgement of such cash, is guilty of procedural deficiency if a shortage of cash is found at a later stage. Although cash is not taken/stolen by the recipient, such a teller becomes a victim of circumstances.

### **7.4 Crime Causes Conflict Between Management and Staff**

Assad (2011) correctly argues that management conflict occurs when a problem develops between

workers and the management structure. This invariably has a negative impact on the quality of work produced by a contentious work environment. When leaders involve employees in the decision-making processes, many illegal deals in the organization are prevented to a great extent. Shivambo (2013:2) reported that Post Office employees requested an investigation into maladministration in the South African Post Office which took place in April 2011 where management decided to move its head office from Central Pretoria to Ecopoint in Centurion in which R425 million was wasted on a property lease. By implications it means that crime can cause a conflict between workers and management which could lead to employees not performing up to acceptable standard and; managers not trusting employees.

## **8. Discussion and Analysis of Results**

### **8.1 Crime Prevention**

The majority of the respondents (36.40 percent) stated negatively that there are platforms to discuss crime prevention in the Post Office. 33.20 percent strongly disagree that there are adequate forums to discuss crime prevention in the Post Office. The minority responses (5.90 percent) strongly agree. The reason might be that the available platforms are not sufficiently communicated to the employees.

### **8.2 Crime Reduction**

The majority of the respondents (42.90 percent) disagree that there are adequate measures to reduce crime in the Post Office while 25 percent strongly disagree. There is a strong link between security measures and crime reduction. If security measures are enhanced, crime will drastically be reduced. From the collected data one can conclude that the Post Office does not do enough to reduce crime. Systems such as CCTV cameras, alarm systems should be installed in branches to reduce and prevent crime especially in high risk branches.

### **8.3 Reliability**

The majority of the respondents (38.60 percent) disagree that the Post Office is a reliable banking institution while 18.20 percent strongly disagree with the perception. This indicates that customers are not happy about the Post Office and the perception is as a result of customers being defrauded of their savings and their mail received violated.

This could lead to customers looking for alternative banks to save their monies and other courier companies to send their parcels.

## 8.4 Discipline

The majority of the respondents (44.40 percent) disagree that discipline is not enough to discourage crime while 37 percent agree that discipline is enough to discourage crime in the Post Office. This leads to the conclusion that discipline is not consistently applied. Skolnick in Barkan (2001:493) affirms that punishment has a general deterrent effect on crime. The disciplinary quote of the Post Office stipulates categories of crime of which, when committed, an employee could be dismissed from work irrespective of whether the act is a first offence or not (SAPO, 2012).

## 9. Recommendations

It is against the background that the following recommendations were made:

### 9.1 Installation of Alarm Systems in Branches

The Security and Investigation division of the South African Post Office should ensure that alarm systems are installed in Post Offices which are deemed high risk. Alarms system becomes guardian in the absence of guards to prevent the occurrence of crime.

### 9.2 Conversion of Post Office Outlets to Acceptable Security Standards

During the survey, it was established majority of the Post Office branches in the North East Region does not meet security standards. Some branches are without counter screens and some alarm system yet such branches processes a lot of cash. In terms of security profiling, such branches are regarded as high risk and it is recommended that the security features be upgraded.

### 9.3 Education Campaigns

Few people become aware of crimes or how serious these crimes are (Coleman and Moynihan (1996:111). It is important that employees should be warned upfront and be informed of the consequence of crime. There is a saying in the South African Post Office that "you open the mail you go to jail" and such narrative should be emphasised

during awareness sessions. Mafunisa (2014:1236) emphasises that departments in the public service should carry out certain activities to promote awareness on the issue of crime prevention.

## 9.4 Preventing Organisational Deviance

Internal controls are important cornerstone of crime prevention. If systems and processes are in place, it limits opportunities for crime to occur. Giblin (2014:138) correctly argues that tight systems minimise organisational deviance and avoid operational failures. Similarly, Barkan (2001:436) emphasises that crime control model insists on the prevention and elimination of mistakes to the extent possible. Employees who are found guilty of deviating from internal control mechanisms, consequence management should follow immediately. By so doing, punishment will serve as a deterrent to those who will be performing their functions outside the prescribed rules and regulations. Skolnick in Barkan (2001:493) affirms that punishment has a general deterrent effect on crime. Lab (1997:113) maintains that the deterrent effect relies on the existence of three factors which are celerity, severity and certainty.

## 9.5 Recruitment and Selections

When new employees join the South African Post Office, such employees should be vetted to ensure that right employees enter the organisation. The process allows Human Resources Division (HRD) to satisfy themselves that new recruits are not attached to criminal activities before entering the organisation. Many staff members are hired with perspective in mind and vetting becomes paramount (Giblin, 2014:59). South African Post Office is a financial institution and dealing with customer's money and therefore, management should ensure that right employees are placed on right positions.

## 10. Concluding Remarks

Findings in this paper show that crime has an adverse effect on the organisation and literature concurs with the conclusion. The study has argued that crime causes conflict and creates distrust amongst employees and employers. If employees and employers give attention to crime prevention strategies, the Post Office will be able to reduce the level of crime and thereby improve profit margins. This study emphasized that crime prevention is an

activity which should be reviewed continuously to counteract new patterns of crime and statistics is helpful to that determination. The recommendations made will serve as a starting point in reducing crime levels and revive work commitment of the employees of the South African Post Office.

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